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July 27, 2012

Via Electronic Filing

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

EX PARTE LETTER

RE: Special Access Rates for Price Cap Local Exchange Carriers, WC Docket Nos. 05-25 and 06-122, RM 10593, GN Docket 09-51,

Dear Secretary Dortch:

On July 27, 2012, BT met with Commissioner Clyburn's advisors Angela Kronenberg and Louis Peraertz. Representing BT were Kim McMann, President of BT's Consumer Packaged Goods Division and head of BT's operations for the US and Canada, Sheba Chacko, Senior Counsel and Head, North American Regulation and Global Telecoms Policy, and Jennifer Taylor Hodges, VP, US Government Affairs.

BT explained that premature deregulation of market power in the special access services market is causing anticompetitive issues for BT in the downstream global managed network services market. BT urged the Commissioner to vote to suspend the triggers and for a speedy issuance of the mandatory data request. BT asked for fairness, a level playing field and why BT cannot obtain in the USA the same remedies that Verizon calls for in the UK market – namely, prices “as low as possible in order to facilitate a genuinely competitive marketplace and drive down prices for customers,” and “a clear set of remedies are in place for TI [legacy] products and for AI [Ethernet] products.” *See Verizon Business Response to Ofcom - BCMR Call for Inputs (June 2011)*, available at <http://stakeholders.ofcom.org.uk/binaries/consultations/bcmr-inputs/responses/Verizon.pdf>.

BT also urged that the Commissioner to support speedy reform of the USF contribution mechanism including adopting the MPLS Industry Group's proposal as an interim measure.

Please contact the undersigned if you have any questions regarding matters discussed herein.

Sincerely,

A handwritten signature in black ink, appearing to read 'SChacko', with a stylized, cursive script.

Sheba Chacko
Head, North American Regulation and Global Telecoms
Policy, BT

cc: Angela Kronenberg
Louis Peraertz